

Gov. Doc
Ont

AFFILIATED RAILWAYMEN'S ORGANIZATION OF ONTARIO
(SHIP BY RAIL)

The Honourable Chairman and Members
Royal Commission on Transportation
Province of Ontario

Ontario. Transportation, Royal Comm. on, 1938
[Collection of unrec. docs. No. 1.]

Gentlemen:

On behalf of the Affiliated Railwaymen's Organizations of Ontario

I desire to express the appreciation of that Organization for the opportunity of appearing before this commission to present a brief containing our evidence and our recommendations regarding the problems associated with and arising out of the Motor Transport Industry in Ontario.

Some seven years ago the railway employees of Ontario witnessed the general reduction of the staffs of the railroads and saw many of their fellow employees forced to become dependent on public relief in order to exist. It was felt that the severity of this reduction was not due entirely to the then existing world wide depression but that there were conditions existing in Ontario which constituted a large contributing factor to the reduction.

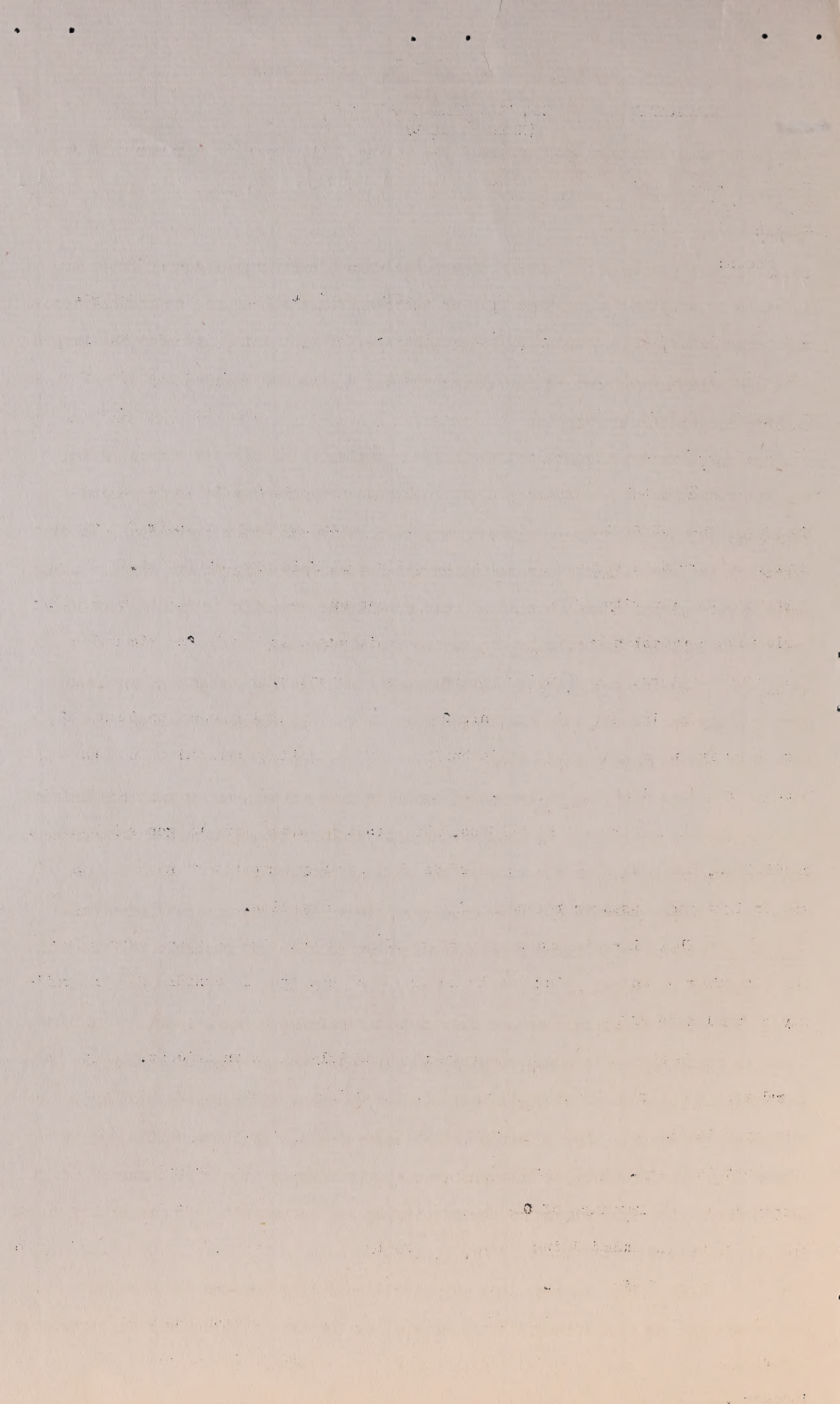
The investigation by this Organization revealed reductions in staff were largely due to the decrease in business of the railway companies in both passenger and freight departments.

This decrease in business, while to some extent due to general business conditions, was made worse by the inroads that highway competitors had made in both the freight and passenger revenues of the railway companies.

These inroads had been made possible by the highway transports being able to offer to the shipping public lower rates than it was possible for the railway companies to offer.

That these inroads had been made unfairly was soon evident. It was found that the strict laws and regulations governing the actions of railway companies in the conduct of their business had no counterpart in the highway transport industry. The provision of a right-of-way, built and maintained by the taxpayers of the Province of Ontario, free to the highway transport industry was a clear case of the subsidizing of an industry by the government, the profits of which went to private individuals.

From time to time this organization has waited upon the various Governments of the day with a view to correcting the abuses in the highway transport industry.



We have pointed out the unfairness of railway companies and railway employees, in their capacity as taxpayers, being called upon to contribute large sums in taxes for the construction and maintenance of a right-of-way for a competing agency of transportation. The unfairness of this is particularly clear in those municipalities who, out of their own revenues and without assistance from the provincial government, are compelled to build and maintain those streets which form the connecting links in the provincial highway system. These streets, destroyed by large and heavy commercial transport vehicles, must be replaced by the municipalities in many of which the railways and their employees constitute the largest individual tax-paying unit.

The railway companies are compelled to build and maintain their own right-of-ways and are further forced to pay taxes on such rights-of-way. Part of the taxes so paid on such property is used to provide a right-of-way to an unregulated and unfair competing agency of transportation.

Justice to the taxpayers of Ontario demands that those agencies of transportation using the Provincial Highway System as a right-of-way should bear a proper share of the cost of construction and the maintenance of such highways.

This Organization would suggest that the Commission give consideration to the method of computing such proper share as was recommended by the Conference on Rail and Road Transport in Great Britain, under the Chairmanship of Sir Arthur Salter, which Conference was composed of an equal number of Rail, Highway and Commercial representatives, the recommendations of which Conference have been implemented by legislation and are now in effect in that Country.

For many years past the employees of railways have attempted to raise the standard of living. That the standard of living for railway employees has been raised considerably during the past twenty-five years cannot be denied. Standard rates of pay have been set up, standard hours of labour have been put into effect and general working conditions have been greatly improved.

In the highway transport industry there definitely exists a lower standard of living. Wages are low, hours of labour are long and general working conditions leave much to be desired. It is unfair to place on any man the sole responsibility of the safe passage of passengers and freight over long distances. The many and varied accidents which occur on our highways today makes it unjust to ask one man to be solely responsible for the passengers and freight entrusted

to his care. Yet we find that various companies have but one man in charge of their busses and trucks.

The lower wages and longer hours of their employees assist in making it financially possible for transport companies to offer a lower rate to the shipping public. Once more the railways are penalized by the exploitation of the employees of a competing agency of transportation.

The lowering of the standard of living in one branch of an industry cannot fail to have an adverse effect on other branches of that industry. We feel that this Commission should well consider this most important phase of the transportation industry. Their recommendations would go far in bringing about a decided improvement in the general conditions of those engaged in the highway transport industry.

The railways operating under the strict rules and regulations of the Board of Railway Commissioners cannot discriminate among shippers. They must accept for shipment any and all freight presented to them by shippers. Highway transports on the other hand can pick and choose the cream of the freight business and leave the unprofitable bulk for the railways. When the present rate structure was set up for the railways it was done with the view of encouraging Canadian industry. Raw materials going to manufacturing plants were in many cases given a low rate and the manufactured article a higher rate. The expectation was that the losses accruing from the transportation of such raw materials from their point of origin to the factories would be compensated for by the gains on the transportation of the manufactured article. The highway transports, refusing in many instances, the raw material shipments and thus escaping the losses which accompany these are able to quote a lower rate on the manufactured article thus depriving the railways of revenues which are justly theirs.

Railway companies are unable to abandon unprofitable lines without permission of the Board of Railway Commissioners. This Board does not consider that the fact that a line is not showing a profit is sufficient reason for the abandonment of the line. Railways are compelled to give a service to the public which in many cases does not return a profit to the railways. Highway transports on the other hand are free to abandon any service which does not return a profit to them. Thus again with no unprofitable lines to carry on they are able to underquote the railway rates to the shipping public.

Railway companies are not allowed to discriminate one against the other in the matter of rates. The rates are set for all railway companies by the Railway Commission and heavy penalties await any railway company which transgresses this rule. Thus railway companies compete one against the other purely on the basis of service. No such regulation applies to transport companies. They are free to cut rates not only below the rates of the railway companies but also below the rates of other trucking companies. This policy of rate cutting adversely affects all agencies of transportation and in our opinion the problems of the transportation industry in Ontario will not be solved until all agencies are compelled to adhere to a rate structure which has been set up after due investigation. This rate structure would protect the shipping public, the agencies of transportation, their employees and finally the ultimate consumer of all transported goods.

The Railways are not allowed to establish a service, gather in the profits and then abandon the service. This, Transport companies are able to do. The transport companies can establish a service, pick up any profits to be had, and then abandon the service. This indiscriminate granting of franchises, which are later dropped, gives to transport companies an unfair advantage over the railways who are compelled to render a year round service consistent with the needs of the public on any line where service has been established. The regulation of the issuance of licenses to agencies of transportation should, in our opinion, be based on the necessity of a permanent service in the localities for which such licenses are issued.

Every year railway companies are compelled to spend thousands of dollars to keep their equipment up to the standards laid down by the Board of Railway Commissioners. Whilst there are certain safety regulations, in a modified form, applicable to the motor transport industry, the enforcement of same is, in many cases, somewhat overlooked. These regulations regarding equipment are a matter of interest to us not only as railway employees but also as citizens of this province.

We, in common with every other citizen of this province are appalled at the terrific accident toll on our highways year after year. The daily newspaper offers ample evidence of the absolute necessity of finding ways and means of reducing this terrible accident record. The loss of human lives and human happiness, not to mention the economic loss of these accidents, is so great that

it constitutes one of the major problems confronting the government today. It is the duty of every citizen to do all in his power to reduce this fearful toll. It devolves on governments and on all organizations to set to work to devise ways and means of making our highways safer.

We feel that the introduction of large motor vehicles and trailers has contributed in no small way to the mounting record of accidents. These huge trains, speeding along the highways, constitute a distinct menace. When we realize that these trains are operated by one man, who, in many cases, is working long hours for small pay, it is brought home to us that non-regulation of these vehicles and the industry of which they are a part has led us far along the path which has brought so much suffering to so many people.

When we realise further to this, that we have not adequate inspection of the equipment which is used on our highways, we must conclude that the time is long since past when we can absolve ourselves from blame in connection with accidents on our highways.

We feel that this is one of the most important matters before this Commission involving as it does human lives. We feel justified, therefore, in offering to this Commission certain conclusions which we have reached on this question.

We feel that there should be more rigid regulations of the length, width and height of all transport vehicles using our highways. We feel that vehicles beyond a certain capacity should be manned by at least two men. All vehicles should meet requirements of safety demanded by a Board composed of experts in safe driving. We suggest that transport vehicles are becoming too large for safe operation over our highways, also the shape should be redesigned. At present it is practically impossible for a private motorist to obtain a view of the highway ahead of some of the present large trucks now operating over the highways.

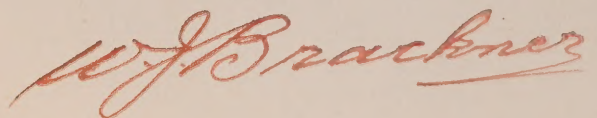
We feel that adequate penalties should be assessed against those who violate the law. Penalties should be of such severity and of such sure application that they would completely discourage any ignoring of the safety regulations of the Province of Ontario.

The complete elimination of all faulty equipment from our highways and the setting up of regulations which will advance, as far as possible, the safety of our citizens on the highways, seems to us, to be of outstanding importance in any recommendations which this Commission makes to the Government.

We would suggest the setting up of a Board, composed of men fully qualified in the field of transportation. This Board would control the granting of licenses; would draw up rules and regulations furthering the cause of safety on our highways and see that such are strictly and impartially enforced. To assess the proper share of the cost of constructing and maintaining highways against each class of user, as recommended by this Commission, by means of graded license fees computed on the method previously referred to in this presentation. This Board to compel each Transport Operator to file with them a tariff of rates which the Operator will charge. Such tariffs to be enforced and not changed unless by authority of the Board. Such tariffs to be displayed in a part of the Operators premises accessible to the public, and would generally and particularly control the motor transportation industry in the Province of Ontario. Further, that an appeal to the Courts may be granted in connection with the issuance of licenses to Operators on questions of law and fact. We would also suggest that an endeavour be made to have a uniformity of rate which would be to the advantage of the truck operators.

We would be ungrateful if we concluded our presentation without expressing our sincere appreciation to the Government for granting a Royal Commission and giving to us an opportunity of presenting our conclusions to an unbiased, impartial and judicial body. That the Government has realized the importance of the question is clearly evident by the make-up of the Royal Commission. To you, Sirs, we are deeply grateful for the kindness and courtesy with which you have listened to us. Our task has been made easier and more pleasant by the consideration you have shown to us. If at any time we can be of any assistance whatsoever to the Royal Commission we are ready and willing to give any co-operation which is within our power or ability.

On behalf of the Affiliated Railwaymen's Organizations of Ontario.



Secretary-Treasurer.

